

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

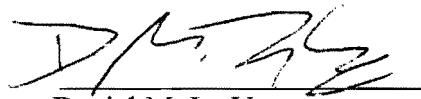
**SANI TECH, INC. APPLICATION FOR)
SMALL UTILITY RATE CHANGE) CAUSE NO. 43793-U**

REPORT OF

THE INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR

FEBRUARY 8, 2010

Respectfully Submitted,

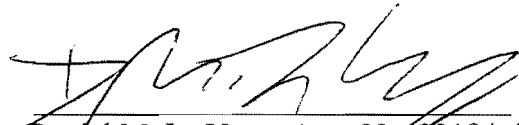


Daniel M. Le Vay
Deputy Consumer Counselor

CERTIFICATE OF SERVICE

This is to certify that a copy of the foregoing has been served upon the following parties of record in the captioned proceeding by electronic mail on February 8, 2010.

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SANI TECH, INC.
REPORT OF THE INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR

Cause No. 43793-U

Prepared by Mark Grosskopf, Harold Rees & Edward Kaufman

CHARACTERISTICS

Sani Tech, Inc. ("Sani Tech," "Petitioner," or "Utility") is an Indiana investor owned corporation that began operation in 1993 for the purpose of providing sewage disposal service to the Rolling Vista Estates subdivision three miles east of Mooresville in Morgan County, Indiana. Sani Tech is closely held by its president and main shareholder Jon Handy. In total, the Sani Tech operating area consists of about 108 acres of land. The utility currently serves 114 customers with limited opportunity for growth. (There are currently five (5) undeveloped lots in the subdivision served by Sani Tech.) Petitioner's provision of sewage disposal services is authorized by Certificate of Territorial Authority No. 145 issued by the Commission in Cause No. 39695.

The utility's treatment plant is located in the Rolling Vista Estates subdivision. The treatment plant is a Class I 20,000 gallons per day (gpd) extended aeration treatment plant consisting of an 8,000 gallon surge tank with two pumps and a flow metering system, a headworks screen, a set of parallel aeration tanks of 11,670 gallons capacity each, a double-coned 14,600 gallon final clarifier, a 417 gallon chlorine contact tank, a 45,000 gallon effluent holding tank, a 1,150 gallon de-chlorination tank, a 3,500 gallon sludge digester, a blower and control building with various automated controls, two roots type blowers, and a flow proportionate driven liquid chlorine system. The average daily flow is about 19,200 gpd. The plant receives single-phase electric power from Indianapolis Power and Light Company.

The collection system consists of two lift stations and a master lift station; 7,125 feet of collection mains; and 1,622 feet of force mains. The collection mains are constructed from PVC pipe and the force mains from polyethylene pipe. The Utility disposes of its sludge at the Indianapolis Belmont Plant.

The utility's certified operator, Ed Ferguson, who is employed by Utility Services, Inc. of Pittsboro, spends several hours at the treatment plant each week. The Utility's owner, Jon Handy, performs some operating activities during the week, and also does maintenance and replacement work. Sani Tech also receives certain services from JDH Engineering, Inc. through a Contract for Utility Management Services. Under the contract, JDH Engineering primarily fulfills general office duties. Petitioner contracts separately for a Certified Operator and for Lab Services. JDH Engineering, Inc. is an affiliate company of Sani Tech, as are Southeastern Utilities, Inc. and Eastern Hendricks County Utility, both of which have filed simultaneous rate cases with this Cause.

The average sewage flow per customer for this utility is 168.4 gallons per day, which does not appear to be excessive. (The expected average water usage for a residential customer is about 200 gpd). Recognizing that the utility's collection system was constructed with PVC pipe with the first placement in 1993, it doesn't appear that Inflow and Infiltration ("I&I") is a problem, and the average sewage flow figure seems to support that. In 2008, Sani Tech installed a new clarifier, blowers, pumps, and control panel.

PETITIONER'S APPLICATION

On September 24, 2009, Sani Tech applied for rate relief to the Indiana Utility Regulatory Commission ("Commission") under the small utility filing procedures (170 IAC 14-1). In its application, Petitioner proposed an across-the-board increase of 27.14% to achieve \$126,911 in total revenues. The IURC determined the application to be complete on November 10, 2009. Having received correspondence from several customers opposing the proposed increase, the OUCC requested a public field hearing pursuant to Indiana Code 8-1-2-61.5, which request included various customer comments. At the field hearing, the OUCC offered into evidence Public's Field Hearing Exhibit 1, which included additional customer comments. Finally, the OUCC has attached to this report other customer comments the OUCC has received. (See Attachment 1.)

REGULATORY HISTORY

Cause No. 39695 – On April 12, 1993, Sani Tech filed its application for a Certificate of Territorial Authority ("CTA") to provide sewage disposal service in a rural area of Morgan County and to establish rates and charges. The initial monthly rate was \$40.00, and the rate schedule also included a Disconnection/Reconnection Charge of \$550.00 and a Bad Check Charge of \$25.00. The Commission's final order on this request granting approval was issued on October 13, 1993.

Cause No. 41644 – On January 21, 2000, Sani Tech, Inc. petitioned for approval of an across-the-board increase to its rates and charges for sewer service, which would have taken the utility's then current rate of \$40.00 per month for residence service to \$154.22 per month (an increase of 285.55%). This would have produced total annual operating revenues of \$122,288 compared to

Petitioner's current annual pro-forma operating revenues of \$31,680. Petitioner was initially authorized by the Commission to establish a rate of \$52.40 per month, after which the utility filed an appeal. Then the parties agreed to a settlement permitting the utility to reach a rate of \$70.00 per month over a period greater than two years by implementing phased rate increases (to \$60.00, then \$65.00, and finally \$70.00). The Commission's final order on this case was issued on May 29, 2002, and dismissal of the appeal was granted on July 5, 2002.

MAINTENANCE & OPERATIONS

Customer Complaints of Odor and Noise

The OUCC's operations analyst, Senior Analyst Harold Rees, inspected the utility's treatment plant on November 17, 2009. On that day, there appeared to be no perceptible odors or unusual noise. At the January 25, 2010 field hearing at Neil Armstrong Elementary School, one of the parties that filed written comments had strong comments about the odor issue (See Jane Shelley's comment: "The smell of the sewer is bad during the summer and fall months - it takes your breath away. What is Sani Tech doing about that?"). In addition, after the field hearing nine of the twenty people in attendance advised Mr. Rees that they considered there to be excessive odors coming from the plant. Two of these people also spoke about the noise problem during which an alarm was triggered and not restored for many hours (the fall of last year). Of the letters received in the mail by the OUCC since October 1, 2009, one of these addressed the odors (most of the letters were prepared on the forms submitted to request the field hearing).

Concerning the cause of the odors, in Petitioner's response to Question 37 of OUCC Data Request Set No. 3, the Utility explained that the odor issues identified during the test year (2008)

were the result of a new digester constructed that year. The Utility initially implemented long periods of time with no aeration in an effort to reduce sludge removal expenses. However, the Utility determined that these long periods of no aeration caused the sludge to become anaerobic and resulted in odors when the aeration resumed. The Utility has since discontinued the practice of having long periods of time with no aeration. Thus, Sani Tech appears to be monitoring its odor problems and adjusting its operations to avoid unnecessary odors. Sani Tech should continue to be responsive to this issue.

On February 2, 2010, Mr. Rees revisited the site of the treatment plant. He detected a moderate odor downwind from the east end of the plant. Mr. Rees noted the temperature was about 35 degrees Fahrenheit. Mr. Rees also detected a relatively low level of noise, which was due to the plant's blowers. Mr. Rees also observed that some homes have been built near the treatment plant (within about 30 feet to the south and across the street to the west). This makes it more likely that those homes will experience odor issues making it more important to take reasonable steps to address odor problems.

The OUCC recommends that with its annual reports, Sani Tech include a report of all noise and odor complaints and describe what steps if any were taken to alleviate any problem with odor or noise.

REVENUE REQUIREMENTS

OUCC Review

The OUCC conducted an analysis of the Utility's application, reviewed the Utility's books and records, analyzed responses to discovery, reviewed historical documents, and discussed various issues with the Utility's accounting consultant. As a result of the OUCC's analysis, the OUCC

accepted certain *pro forma* accounting adjustments as originally proposed by the Utility in its filing. The OUCC agreed with Petitioner's *pro forma* operating revenues, *pro forma* adjustment to amortize AA Septic Service expenses, the *pro forma* utility receipts tax calculation, and various other test year operating expenses for which no adjustment was necessary, and believes these should be accepted as filed by the Utility. However, as presented below, the OUCC is proposing several adjustments to the revenue requirements set forth in the application submitted by the Utility. The OUCC's adjustments, and resulting revenue requirements, are shown on attached Exhibit MHG-1, Schedules 1 through 9.

Rate Base

Petitioner's application shows an original cost rate base of \$265,195 using utility plant in service of \$635,440 and accumulated depreciation of \$201,675, as shown on Petitioner's financial statements for the period ending December 31, 2008. Also included in Petitioner's rate base is \$4,317 for working capital and a reduction of \$175,887 for contributions in aid of construction. In Petitioner's previous rate case, Cause No. 41644, there was significant dispute as to the value of the Utility's rate base. In the Commission's Order dated February 23, 2001, pages 3 and 4, the Commission discussed at some length the lack of detail and lack of evidence regarding the purchase price and transfer of ownership of the Utility. (See Attachment 2.) On page 4 of this Order, the Commission states, "We find that Petitioner has provided insufficient evidence to make a reasonable determination of rate base for this utility." (Attachment 2, page 4 of Order). Subsequently, Sani Tech appealed this order, and as a result of alternative dispute resolution the OUCC and Petitioner reached a settlement in Cause No. 41644. The Settlement Agreement was signed by the parties in December 2001. The Commission approved the Settlement Agreement on May 29, 2002. The Settlement Agreement states, "Sani Tech's total utility plant as it exists at

the time of this Settlement Agreement is executed has a fair value of \$95,000 for ratemaking purpose of the IURC computing allowable net operating income. The parties stipulate and agree that in all future IURC proceedings they are bound to accept \$95,000 as the fair value of all the utility plant Sani Tech has as of the date of this settlement agreement. The stipulation as to fair value shall not apply to utility plant which may be placed in service after the date of this agreement.” (See Attachment 3.) Therefore, the OUCC has amended Petitioner’s rate base to reflect the utility plant value required by the Settlement Agreement. To reflect the appropriate utility plant values, the utility plant in service and accumulated depreciation each consist of pre-settlement and post-settlement valuations.

As shown on Schedule 4 of the OUCC’s Exhibit MHG-1, Utility Plant per the Settlement Agreement dated 12/13/01 is valued at \$95,000. Accumulated Depreciation on (the \$95,000) Plant Value prior to 12/31/01 is based on the Commission approved composite depreciation rate of 2.5% for sewer utilities with a treatment plant. The 2.5% rate is applied to the \$95,000 for each year since December 2001 through the test year ending December 31, 2008 for a total accumulated depreciation on original plant of \$16,625. The \$82,507 utility plant additions since 2001 and \$9,648 accumulated depreciation on plant additions since 2001 were indicated in Petitioner’s responses to OUCC discovery questions Q-31 and Q-32. (See Attachment 4.) The OUCC’s working capital calculation differs from Petitioner’s due to the changes to operating expenses described below. The OUCC also corrected Petitioner’s working capital calculation by using the pro forma present rate O&M expenses rather than test year O&M expenses. The resulting Total Original Cost Rate Base proposed by the OUCC is \$158,194. (Exhibit MHG-1, Schedule 4)

Allocation and Cost of Management Services

As shown on Schedule 9 of the OUCC's Exhibit MHG-1, and reflected in Adjustment 1 on Schedule 6, the OUCC made two adjustments to Petitioners Allocation of Services Provided by JDH Engineering, Inc. First, by using the agreed upon and Commission approved utility plant value as explained above, Sani Tech's allocation of rate base is now 32% of all utilities served by JDH Engineering. This allocation is based on the rate base determination agreed to by the parties in the last rate case, and subsequently approved by the Commission. The second amendment to Petitioner's Allocation of Services Provided by JDH Engineering, Inc. is to the amount of the Annual Service Fee. The Annual Service Fee in the test year was \$69,000 for the three utilities, and Petitioner is requesting \$85,000 for three utilities, which is a 23% increase. Sani Tech's test year portion of the Service Fee was \$18,000. In Petitioner's last rate case, Cause No. 41644, the Test Year Service (Management) Fee was \$9,000. This equates to a 100% increase over the last 7 years. Petitioner is now requesting a 23% increase over the test year amount.

The Annual Service Fee is covered by an affiliate Contract for Utility Management Services with JDH Engineering, Inc., which relates in large part to fulfilling general office duties. (See Attachment 5.) JDH Engineering, Inc. is an affiliate company of Sani Tech, as are Southeastern Utilities, Inc. and Eastern Hendricks County Utility, both of which are filing simultaneous rate cases with this Cause. (See Attachment 6.) Petitioner contracts separately for a Certified Operator and for Lab Services. Petitioner's requested increase to an affiliate company appears excessive given the current state of the economy and the relative size of the increase. Petitioner has not presented any evidence that either supports or justifies a 23% increase in the cost of services provided by JDH Engineering, Inc. Therefore, the OUCC based the allocation of the

annual Service Fee on the test year amount of \$69,000 for the three utilities, giving Sani Tech an allocated *pro forma* service fee of \$19,320, an increase of \$1,320 over the test year as shown on the OUCC's Exhibit MHG-1, Schedule 9.

Depreciation Expense

The OUCC's recommended depreciation expense is based on the utility plant value agreed upon and approved in the Settlement Agreement in Cause No. 41644, plus Petitioner's plant additions since 2001, for a total utility plant in service at December 31, 2008 of \$177,507. In the OUCC's *pro forma* depreciation expense adjustment, the total utility plant is depreciated at the Commission approved composite rate of 2.5% for sewer utilities with a treatment plant. Petitioner also indicated on page 25 of the application for a rate increase in this Cause that it intends to use the 2.5% composite depreciation rate. As evidenced in Attachment 4, Petitioner has used accelerated depreciation rates on some of its plant items. As an example, a new concrete clarifier shows a five year life, yielding a depreciation rate of 20%. Petitioner has not provided a depreciation study, and there has been no prior approval for a depreciation rate other than the composite rate. The OUCC recommends the 2.5% composite depreciation rate to both mitigate the rate impact to the ratepayers, and to better reflect the useful life of utility plant in service. The OUCC calculated a *pro forma* depreciation expense of \$4,438, yielding an adjustment to test year of (\$9,302).

Property Tax Expense

Petitioner did not propose an adjustment to test year property tax expense. The OUCC verified the test year amount of \$4,439 with the 2008 bill and a supplemental property tax notice sent to the Utility. Additional and more up to date property tax information was sent to the OUCC by

Shirley Goodwin, President of Rolling Vista Home Owners Association. This information was also verified through discovery responses received by the OUCC. Petitioner's 2009 property tax bill and a supplemental property tax notice indicate a total 2009 property tax expense of \$3,237, a \$1,202 decrease from the test year. Moreover, San Tech's property tax liability has been steadily declining over the past three years. (See Attachment 7.) The OUCC's revenue requirements in Exhibit MHG-1 reflect this adjustment.

IURC Fee

The OUCC updated Petitioner's adjustment for the IURC Fee by using the currently effective IURC Fee rate of .001073599. The resulting decrease from the test year is (\$11).

Rate Case Expense

Petitioner requested an amortization of rate case expenses over a period of three years. Petitioner's last rate case was approved in May of 2002, nearly eight years ago. Eight years between rate filings is not indicative of a frequent filing history. Because Petitioner's history does not support a three year amortization of rate case expense, the OUCC used a five year amortization period, which it considers reasonable.

Income Taxes

The OUCC made one correction to Petitioner's state income tax calculations. Petitioner used a state income tax rate of 4.5%. The OUCC used the current state income tax rate of 8.5%. All other differences between Petitioner's federal and state income tax calculations are a result of the adjustments previously explained in this report.

Cost of Capital

Petitioner requests a 10% cost of common equity. The OUCC does not dispute the cost of equity requested, which results in a weighted cost of capital of 9.646%. Therefore, the OUCC's recommended rate of return is 9.646%.

Recommendation

The OUCC recommends a rate base of \$158,194 and a rate of return of 9.646%, yielding a net operating income of \$15,260. This equates to a recommended revenue decrease of (\$1,762), or -1.85%, resulting in an across-the-board monthly flat rate of \$68.71.

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Comparison of Petitioner's and the OUCC's
Revenue Requirement

Description	Per Petitioner	Per OUCC	Sch Ref
Rate Base	\$265,195	\$158,194	4
Times: Rate Of Return	9.656%	9.646%	8
Net Operating Income	25,607	15,260	
Less: Adjusted Net Operating Income	678	16,608	5
Increase In Net Operating Income	24,929	(1,348)	
Times: Revenue Conversion Factor	1.2509	1.3072	1
Recommended Revenue (Decrease)	\$31,185	(\$1,762)	
Overall Percentage Increase (Decrease)	32.73%	-1.85%	
Monthly Rate	\$89.00	\$68.71	

SANI TECH, INC.
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Comparison of Income Statement Adjustments
Test Year Ending December 31, 2008

<u>Adjustment</u>	<u>Per Petitioner</u>	<u>Per OUCC</u>	<u>OUCC More/Less</u>
<u>Operating Revenues</u>			
Sewer Revenues	\$0	\$0	\$0
Other Operating Revenue	<u>0</u>	<u>0</u>	<u>0</u>
Total Operating Revenues	<u>0</u>	<u>0</u>	<u>0</u>
<u>Operating Expenses</u>			
Other Operation & Maintenance:			
Allocation of Engineering Services	10,900	1,320	(9,580)
Amortized Septic Service Expense	(5,167)	(5,167)	0
Rate Case Expense	1,667	1,000	(667)
IURC Fee	1	(11)	(12)
Taxes - General			
FICA	0	0	0
Utility Receipt Tax	0	0	0
Property Tax	(337)	(1,202)	(865)
Taxes - Income - State	0	1,796	1,796
Taxes - Income - Federal	0	2,701	2,701
Amortization	0	0	0
Depreciation	<u>0</u>	<u>(9,302)</u>	<u>(9,302)</u>
Total Operating Expenses	<u>\$7,064</u>	<u>(\$8,866)</u>	<u>(\$15,930)</u>

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Revenue Conversion Factor

Description	Per Petitioner	Per OUCC	Line No.
Subtotal	100.0000%	100.0000%	1
Less: IURC Fee (.001073599)	0.1203990%	0.1073599%	2
Subtotal	100.0000%	100.0000%	3
Less: Utility Gross Receipts Tax (at 1.4%)	0.014	0.014	4
Subtotal	98.4796%	99.8926%	5
Less: State Adj. Gross Inc. Tax (at 8.5%)	4.4316%	8.4909%	6
Subtotal	94.0480%	90.0018%	7
Less: Federal Income Tax (at 15%)	14.1072%	13.5003%	8
Change In Net Operating Income	79.9408%	76.5015%	
Revenue Conversion Factor	1.2509	1.3072	

Formula Notes:

Line 5 equals Line 1 minus Line 2

Line 8 equals Line 5 minus Line 6 minus Line 4

SANI TECH, INC.
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Balance Sheet as of December 31, 2008

ASSETS

Utility Plant:	
Utility Plant in Service	\$635,440
Less: Accumulated Depreciation	<u>(201,675)</u>
Net Utility Plant In Service	433,765
Construction Work In Progress	<u>0</u>
Total Utility Plant	<u>433,765</u>
Other Assets	<u>0</u>
Current and Accrued Assets:	
Cash	31,258
Accounts Receivable	8,400
Materials & Supplies Inventory	0
Prepaid Expenses and Other Current Assets	<u>0</u>
Total Current Assets	<u>39,658</u>
Total Assets	<u><u>\$473,423</u></u>

SANI TECH, INC.
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Balance Sheet as of December 31, 2008

LIABILITIES AND STOCKHOLDERS EQUITY

Stockholders Equity:	
Common Stock	\$20,400
Other Paid-in Capital	383,103
Retained Earnings	<u>(148,840)</u>
Total Stockholders Equity	<u>254,663</u>
Long Term Debt	<u>34,032</u>
Current & Accrued Liabilities:	
Current Portion of Long Term Debt	0
Accounts Payable	4,616
Accounts Payable to Associated Companies	4,253
Customer Deposits	0
Accrued Taxes	<u>(28)</u>
Total Current & Accrued Liabilities	<u>8,841</u>
Contributions In Aid of Construction	<u>175,887</u>
Total Liabilities and Stockholders Equity	<u><u>\$473,423</u></u>

SANI TECH, INC.
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Income Statement For The Twelve Months Ended December 31, 2008

Operating Revenues

Sewer Revenues	\$95,270
Other Operating Revenue	<u>456</u>
Total Operating Revenues	<u>95,726</u>

Operating Expenses

Operation and Maintenance Expense	65,791
Depreciation	13,740
Amortization	2,688
Taxes - Other Than Income Taxes	5,765
Taxes - Income - State	0
Taxes - Income - Federal	<u>0</u>
Total Operating Expenses	<u>87,984</u>

Net Utility Operating Income	<u>7,742</u>
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Other Income/Expense - Net

Interest Income	519
Interest Expense	<u>(2,552)</u>

Total Other Income and Expense	<u>(2,033)</u>
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Net Income	<u><u>\$5,709</u></u>
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SANI TECH, INC.
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Original Cost Rate Base at December 31, 2008

Utility Plant per Settlement Agreement dated 12/13/01 (Cause No. 41644)	\$95,000
Utility Plant Additions Since 2001	<u>82,507</u>
Utility Plant In Service at 12/31/08	177,507
Less:	
Accumulated Depreciation on Plant Value prior to 12/31/01 (2.5%, 7 yrs.)	(16,625)
Accumulated Depreciation on Plant Additions after 12/31/01	<u>(9,648)</u>
Net Utility Plant In Service at 12/31/08	151,234
Add:	
Materials and Supplies Inventory (13 month average 12/07 - 12/08)	0
Working Capital (see below)	<u>6,960</u>
Total Original Cost Rate Base	<u><u>\$158,194</u></u>

Working Capital 45-Day Method:	
Total O&M Expenses	\$62,933
Less: Purchased Power	<u>(7,255)</u>
Subtotal	\$55,678
Divide by: 8	<u>8</u>
Working Capital	<u><u>\$6,960</u></u>

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Pro Forma Net Operating Income Statement

Description	Twelve Mos. Ending 12/31/2008	Adjustments	Sch. Ref.	Pro Forma Present Rates	Adjustments	Sch. Ref.	Pro Forma Proposed Rates
<u>Operating Revenues</u>							
Sewer Revenues	\$95,270	\$0	Pet.	\$95,270	(\$1,762)	7-1	\$93,508
Other Operating Revenue	\$456			456			456
Total Operating Revenues	95,726	0		95,726	(1,762)		93,964
<u>Operation & Maintenance Expenses:</u>	65,791			62,933			62,931
Allocation of Engineering Services		1,320	6-1				
Amortized Septic Service Expense		(5,167)	Pet.				
Rate Case and NTA Expense		1,000	6-5				
IURC Fee		(11)	6-4		(2)	7-2	
Taxes - Other Than Income							
FICA	0	0		0			0
Utility Receipt Tax	1,326	0	6-6	1,326	(25)	7-3	1,301
Property Tax	4,439	(1,202)	6-3	3,237			3,237
Taxes - Income - State	0	1,796	6-7	1,796	(150)	7-4	1,646
Taxes - Income - Federal	0	2,701	6-7	2,701	(238)	7-5	2,463
Amortization	2,688	0		2,688			2,688
Depreciation	13,740	(9,302)	6-2	4,438			4,438
Total Operating Expenses	87,984	(8,866)		79,118	(414)		78,704
Net Operating Income	\$7,742	\$8,866		\$16,608	(\$1,348)		\$15,260

Federal Tax Proof:

Net Operating Income	\$15,260	
Add: Federal Income Tax	2,463	
Add: Federal Income Tax Deferred	0	
Less: Synchronized Interest	<u>(1,305)</u>	
Federal Taxable Income	16,417	
Tax Rate	<u>15.00%</u>	
Gross Federal Income Tax	2,463	
Less: Investment Tax Credit	<u>0</u>	
Pro Forma Federal Income Tax	<u>\$2,463</u>	2,463
		0

State Tax Proof:

Federal Taxable Income	\$16,417	
Add: State Income Tax	1,646	
Add: Utility Receipts Tax	1,301	
Add:	<u></u>	
State Taxable Income	19,365	
Tax Rate	<u>8.50%</u>	
Pro Forma State Income Tax	<u>\$1,646</u>	1,646
		0

Utility Receipts Tax Proof:

Total Operating Revenues	\$93,964	
Less: Wholesale Customer Receipts	0	
Less: Exemption	(1,000)	
Less: Pro Forma Bad Debt	<u>0</u>	
Taxable Gross Receipts	92,964	
Tax Rate	<u>1.40%</u>	
Pro Forma Utility Receipts Tax	<u>\$1,301</u>	1,301
		0

SANI TECH, INC.
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Adjustments

(1)

Allocation of Services Provided by JDH Engineering, Inc.

Allocated Service Fee from Schedule 9	\$19,320
Less: Test Year Expense	<u>(18,000)</u>
Adjustment - Increase/(Decrease)	<u>\$1,320</u>

(2)

Depreciation Expense

Utility Plant per Settlement Agreement dated 12/13/01 (Cause No. 41644)	95,000
Utility Plant Additions Since 2001	<u>82,507</u>
Utility Plant In Service at 12/31/08	177,507
Composite Depreciation Rate	<u>2.50%</u>
Pro Forma Depreciation Expense	4,438
Less: Test Year Depreciation Expense	<u>(13,740)</u>
Adjustment - Increase/(Decrease)	<u>(\$9,302)</u>

(3)

Property Tax Expense

Pro Forma (2009) Property Tax Expense	\$3,237
Test Year Property Tax Expense	<u>(4,439)</u>
Adjustment - Increase/(Decrease)	<u>(\$1,202)</u>

(4)

IURC Fee

Pro Forma Revenues at Present Rates	95,726
Less: Bad Debt Expense	<u>0</u>
Applicable Revenues at Present Rates	95,726
Current IURC Rate	<u>0.001073599</u>
Pro Forma IURC Fee at Present Rates	103
Less: Test Year IURC Fee	<u>(114)</u>
Adjustment - Increase/(Decrease)	<u>(\$11)</u>

(5)

Rate Case Expense

Estimated Rate Case Costs	5,000
Amortization Period - Years	<u>5</u>
Adjustment - Increase/(Decrease)	<u>\$1,000</u>

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Adjustments

(6)

Indiana Utility Receipts Tax

Gross Receipts	\$95,726
Less: Exemption	(1,000)
Less: Pro Forma Bad Debts	<u>0</u>
Utility Gross Receipts Subject to Gross Receipts Tax	94,726
Utility Gross Receipts Tax Rate	<u>1.40%</u>
Pro Forma Utility Gross Receipts Tax at Present Rates	1,326
Less: Utility Receipts Tax Per Books at 12/31/08	<u>(1,326)</u>
Utility Gross Receipts Tax Adjustment - Increase/(Decrease)	<u><u>0</u></u>

(7)

State and Federal Income Tax

	<u>Federal Income Tax</u>	<u>State Income Tax</u>
Pro Forma Present Rate Operating Revenue Increase	\$95,726	\$95,726
Less: Operations and Maintenance	(62,933)	(62,933)
Depreciation and Amortization	(7,126)	(7,126)
Taxes Other Than Income	(4,563)	(4,563)
State Income Tax	(1,796)	
Synchronized Interest	(1,305)	(1,305)
Add Back:		
Utility Receipts Tax	<u> </u>	<u>1,326</u>
Taxable Income	18,003	21,125
Multiply by: Federal Income Tax Rate	<u>15.00%</u>	
Multiply by: State Adjusted Gross Income Tax Rate		<u>8.50%</u>
Pro Forma State Income Tax Expense		1,796
Pro Forma Federal Income Tax Expense at applicable rates	2,701	
Amortization of Investment Tax Credit	<u>0</u>	
Adjusted Federal Income Tax Expense	<u>2,701</u>	
Less: Test Year Expense	<u>0</u>	<u>0</u>
Adjustment - Increase/(Decrease)	<u><u>\$2,701</u></u>	<u><u>\$1,796</u></u>

SANI TECH, INC.
CAUSE NO. 43793-U

Pro Forma Proposed Adjustments

(1)

Proposed Rate Increase

Pro Forma Present Rate Sales	\$95,270
Times: Rate Increase	<u>-1.85%</u>
Adjustment - Increase	<u>(\$1,762)</u>

(2)

Proposed IURC Fee

Proposed Rate Increase	(\$1,762)
Times: Current Effective Rate (from Revenue Conversion Factor - Sch. 1)	<u>0.1074%</u>
Adjustment - Increase	<u>(\$2)</u>

(3)

Proposed Utility Receipts Tax

Proposed Rate Increase	(\$1,762)
Times: Current Effective Rate (from Revenue Conversion Factor - Sch. 1)	<u>1.4000%</u>
Adjustment - Increase	<u>(\$25)</u>

(4)

Proposed State Adjusted Gross Income Tax

Proposed Rate Increase	(\$1,762)
Times: Current Effective Rate (from Revenue Conversion Factor - Sch. 1)	<u>8.4909%</u>
Adjustment - Increase	<u>(\$150)</u>

(5)

Proposed Federal Income Tax

Proposed Rate Increase	(\$1,762)
Times: Current Effective Rate (from Revenue Conversion Factor - Sch. 1)	<u>13.5003%</u>
Adjustment - Increase	<u>(\$238)</u>

SANI TECH, INC.
CAUSE NO. 43793-U

Capital Structure
as of December 31, 2008

Weighted Cost of Capital

Description	Amount	Percent of Total	Cost	Weighted Cost
Common Equity	\$254,663	88.21%	10.00%	8.821%
Customer Deposits	0	0.00%	0.00%	0.000%
Long Term Debt	34,032	11.79%	7.00%	0.825%
Post ITC	0	0.00%	0.00%	0.000%
Deferred Taxes	0	0.00%	0.00%	0.000%
Total	<u>\$288,695</u>	<u>100.00%</u>		<u>9.646%</u>

Calculation of Post-1970 ITC Rate

Description	Amount	Percent of Total	Cost	Weighted Cost
Common Equity	-	0.00%	-	0.000%
Long Term Debt	-	0.00%	-	0.000%
Total	<u>-</u>	<u>0.00%</u>		<u>0.000%</u>

Calculation of Synchronized Interest

Description	Amount	Percent of Total	Cost	Weighted Cost
Common Equity	\$254,663	88.21%	0.00%	0.000%
Customer Deposits	0	0.00%	0.00%	0.000%
Long Term Debt	34,032	11.79%	7.00%	0.825%
Post ITC	0	0.00%	0.00%	0.000%
Deferred Taxes	0	0.00%	0.00%	0.000%
Total	<u>\$288,695</u>	<u>100.00%</u>		<u>0.825%</u>

Original Cost Rate Base	\$158,194
Times: Weighted Cost of Debt and Customer Deposits	<u>0.825%</u>
Synchronized Interest	<u>\$1,305</u>

Allocation of Services Provided by JDH Engineering, Inc.

	<u>Rate</u> <u>Base</u>	<u>Percent</u>	<u>Customers</u>	<u>Percent</u>	<u>Average</u> <u>Allocation</u>
Sani Tech, Inc.	158,194	32%	114	25%	28%
Southeastern Utilities, Inc.	144,391	29%	95	20%	25%
Eastern Hendricks County Utility, Inc.	191,207	39%	257	55%	47%
	<u>493,792</u>	<u>100%</u>	<u>466</u>	<u>100%</u>	<u>100%</u>

	<u>Annual</u> <u>Service Fee</u>	<u>Times:</u> <u>Percent</u>	<u>Allocated</u> <u>Service Fee</u>	<u>Less:</u> <u>Test Year</u>	<u>Adjustment</u>
Sani Tech, Inc.	\$69,000	28%	\$19,320	(\$18,000)	\$1,320
Southeastern Utilities, Inc.	69,000	25%	17,250	(18,000)	(\$750)
Eastern Hendricks County Utility, Inc.	69,000	47%	32,430	(33,000)	(\$570)
		<u>100%</u>	<u>69,000</u>	<u>(69,000)</u>	<u>0</u>

Daniels, Sandy

43793-U

From: UCC Consumer Info
Sent: Monday, December 21, 2009 7:05 AM
To: Daniels, Sandy; Swinger, Anthony
Subject: FW: Website Contact Form

Letter was sent. Will enter only.

-----Original Message-----

From: Web Form Poster [mailto:rawsgw@hotmail.com]
Sent: Sunday, December 20, 2009 12:08 PM
To: UCC Consumer Info
Subject: Website Contact Form

Title: Ms.
First Name: Suzanne
Last Name: Warren
Email: rawsgw@hotmail.com
Street Address: 6550 E Vista View Ct
City: Mooresville
State: IN
Zip: 46158
Phone: (317)834-8203 ext.
Type: home
No Phone Service:
Case Number: 43793-U
Comments: SaniTech Rate Increase

I am a customer of SaniTech in the Rolling Vista Estates Subdivision. In speaking with other residents who are also opposed to the rate increase I heard complaints of an odor around the facility from those who live close to it. They also complained of an alarm that goes off and continues for days even though they have contacted Jon Handy of SaniTech regarding the alarm. He denies to them that he received a call although they know they called him days earlier. No one seems to know why the alarm sounds and it is loud enough that they hear it in their houses although doors and windows are closed.

Daniels, Sandy

43793-11

From: UCC Consumer Info
Sent: Monday, October 05, 2009 7:15 AM
To: Daniels, Sandy; Swinger, Anthony
Subject: FW: Website Contact Form

This is a new one - SaniTech.

-----Original Message-----

From: Web Form Poster [mailto:rawsgw@hotmail.com]
Sent: Monday, October 05, 2009 7:10 AM
To: UCC Consumer Info
Subject: Website Contact Form

Title: Ms.
First Name: Sue
Last Name: Warren
Email: rawsgw@hotmail.com
Street Address: 6550 E Vista View Ct
City: Mooresville
State: IN
Zip: 46158
Phone: (812)431-7339 ext.
Type: mobile
No Phone Service:
Case Number: 43793

Comments: SaniTech has filed for an approximate 27% increase which seemsextremely high when most salaries, costs of doing business, etc are stagnant.

I understand the last increase was implemented over 3 years,2002-2005. We have very high sewer rates now at \$70 per month.

I would like a public hearing so we would know why an increase of anytype is justified.

Thank you.

Daniels, Sandy

43793-11

From: UCC Consumer Info
Sent: Tuesday, October 13, 2009 7:00 AM
To: Daniels, Sandy; Swinger, Anthony
Subject: FW: Website Contact Form

-----Original Message-----

From: Web Form Poster [mailto:ddhill@pdswireless.com]
Sent: Sunday, October 11, 2009 7:07 PM
To: UCC Consumer Info
Subject: Website Contact Form

Title: Mr.
First Name: Daniel
Last Name: Hill
Email: ddhill@pdswireless.com
Street Address: 6625 Ridgeview Ct.
City: Mooresville
State: IN
Zip: 46158
Phone: (317)276-1409 ext.
Type: work
No Phone Service:
Case Number: SaniTech
Comments: We are residents of Rolling Vista Estates in Mooresville, IN, where SaniTech is our private sewer provider.

Our current flat rate of \$70.00 per month is already above the average monthly rate for central In. residents.

SaniTech has proposed a 27% increase for Rolling Vista residents. We believe this is outrageous for several reasons.

- * Current economic conditions.

- * My household water usage is conservative compared to other neighbors. At \$70.00 we are already overpaying our fair share, based on water usage. To increase our rate is gouging the consumer. Our sewer bill should not be raised 27%. This would raise it to \$88.90 per month.

- * What other business gets to raise rates by 27%?

Respectfully submitted,
Dan and Donna Hill

Daniels, Sandy

43793-U

From: UCC Consumer Info
Sent: Tuesday, October 13, 2009 7:01 AM
To: Daniels, Sandy; Swinger, Anthony
Subject: FW: Rolling Vista Estates Sewer Rate Hike

From: sgoo704690@aim.com [mailto:sgoo704690@aim.com]
Sent: Monday, October 12, 2009 9:27 PM
To: UCC Consumer Info
Subject: Rolling Vista Estates Sewer Rate Hike

This e-mails purpose is to voice my family's opposition to the increase in sewer rates proposed by Sani Tech in Rolling Vista Estate in Morgan County, Indiana. A 27% increase would take our monthly bill to \$88.90. This does not mirror the same bills for our community. I would like a formal hearing on the Sani-Tech rate hike in Rolling Vista Estates.

Shirley Goodwin
10600 N. Rolling Valley Dr.
Mooresville, IN 46158

Daniels, Sandy

43793-U

From: Web Form Poster [kenny.robinson@usagg.com]
Sent: Tuesday, October 06, 2009 5:49 PM
To: UCC Consumer Info
Subject: Website Contact Form

Title: Mr.
First Name: Kenneth
Last Name: Robinson
Email: kenny.robinson@usagg.com
Street Address: 6605 E Ridgeview Ct
City: Mooresville
State: IN
Zip: 46158
Phone: (317)431-7973 ext.
Type: mobile
No Phone Service:
Case Number: 43793
Comments:

Sani Tech Inc. has proposed a 27% sewer rate increase for our community dated 9-24-09. Our current rate is \$70.00 monthly. I understand that rate increases are going to happen but I would like to request a public hearing with the IURC to make sure that we are being treated fairly. As I looked at the rates currently being charged by other septic companies in communities our size from the information provided on your web site I was surprised at the differences in the rates. Our rate is already much higher than most in the comparison. Why? In many cases twice as high. I am concerned how our high septic rates affect the value of our homes or the ability to sell them. Who wants to buy a home or live in a community that has a sewer rate of \$1068 annually? There is also a very large percentage of homes in our community of 112 that have only two occupants. How is the sewer usage figured in a community like ours?

Thank You for your help.

Kenneth Robinson

Daniels, Sandy

43793-U

From: UCC Consumer Info
Sent: Wednesday, October 14, 2009 6:55 AM
To: Daniels, Sandy; Swinger, Anthony
Subject: Sani Tech

-----Original Message-----

From: Web Form Poster [mailto:ciasto4259@aol.com]
Sent: Tuesday, October 13, 2009 7:07 PM
To: UCC Consumer Info
Subject: Website Contact Form

Title: Mr.
First Name: james
Last Name: ciasto
Email: ciasto4259@aol.com
Street Address: 6635 e ridgeview ct
City: mooreville
State: IN
Zip: 46158
Phone: (317)838-8899 ext.
Type: work
No Phone Service:
Case Number: 43793

Comments: Sani Tech Inc has proposed a 27% sewer rate increase for our community dated 9-24-09. Our current monthly rate is \$70.00. I would like to request a public hearing to determine if a rate increase for our community is justified. I was one of the first to build my home in Rolling Vista twelve years ago and at that time my sewer rate was 40.00 a few years later it went up to 60.00 with the promise from the developer that as more homes were built our rates would go down. Obviously that did not happen.

Thank you for your help.
James Ciasto

6801 Rolling Valley Ct.

Mooresville, IN 46158

December 6, 2009

Indiana Office of Utility Consumer Counselor

115 W. Washington St., Suite 1500 South

Indianapolis, IN 46204

RE: Sani Tech, Inc.

Cause No. 43793

Gentlemen:

As a customer of Sani Tech, Inc. since 2004, we have always felt that the rate for our waste and the hookup fee was exceptionally high compared to other utility companies. Although we have never had any problems with Sani Tech, we feel that a 27% across the board increase is excessive.

We know that companies are in business to make a profit. However, Sani Tech should take into consideration that the recession we are now experiencing would make it difficult for some people to pay the increased excessive fees.

Sincerely,



Matt and Sherry Secrest

DEC 14 PM 2:32

6751 Rolling Valley Ct.

Mooresville, IN 46158

December 6, 2009

Indiana Office of Utility Consumer Counselor

115 W. Washington St., Suite 1500 South

Indianapolis, IN 46204

RE: Sani Tech, Inc.

Cause No. 43793

Gentlemen:

As a customer of Sani Tech, Inc. since May of 2006, we have always felt that the rate for our waste was exceptionally high compared to other utility companies. Although we have never had any problems with Sani Tech, we feel that a 27% across the board increase is excessive.

We know that companies are in business to make a profit. However, Sani Tech should take into consideration that the recession we are now experiencing would make it difficult for some people to pay the increased excessive fees.

Sincerely,

Ora Secret
Rosemary Secret
Ora and Rosemary Secret

DEC 11 PM 1:14

Daniels, Sandy

43793-U

From: UCC Consumer Info
Sent: Monday, December 21, 2009 7:04 AM
To: Daniels, Sandy; Swinger, Anthony
Subject: FW: Website Contact Form

Anthony: He was mailed a letter. Will enter only.

-----Original Message-----

From: Web Form Poster [mailto:natbill1@hotmail.com]
Sent: Saturday, December 19, 2009 10:56 AM
To: UCC Consumer Info
Subject: Website Contact Form

Title: Mr.
First Name: William
Last Name: Brenneman
Email: natbill1@hotmail.com
Street Address: 6581 E. Vista View Pkwy
City: Mooresville
State: IN
Zip: 46158
Phone: (831)317-4888 ext.
Type: home
No Phone Service:
Case Number: 43793-U
Comments: Re: Sani-tech service to Rolling Vista Estates Mooresville IN - perrecent association meeting. The current rates are already excessive, with marginal service. Any rate increase is unacceptable.

Daniels, Sandy

43793-U

From: UCC Consumer Info
Sent: Wednesday, January 20, 2010 9:13 AM
To: Daniels, Sandy; Swinger, Anthony
Subject: FW: Website Contact Form

-----Original Message-----

From: Web Form Poster [mailto:burgard@pdswireless.com]
Sent: Monday, January 18, 2010 10:50 AM
To: UCC Consumer Info
Subject: Website Contact Form

Title: Ms.
First Name: Linda
Last Name: Burgard
Email: burgard@pdswireless.com
Street Address: 6590 Ridgeview Court
City: Mooresville
State: IN
Zip: 46158
Phone: (317)962-8946 ext.
Type: work
No Phone Service:
Case Number: SaniTech 43793-U

Comments: We have lived in Rolling Vista for 12+ years. When we purchased our home the sewer bill was \$40, and we were told by sanitech when we paid our connection fee, that after the sub-division was built out the sewer bills would go down. That never happened. The last time they allied for a rate hike they were granted the hike phased in over time. At this point the sewer bills are already ridiculous especially given the fact that sanitech does absolutely nothing to maintain the area they occupy. And it smells horrible, and you can smell it everywhere in our neighborhood. Sewers are necessary, and it is necessary that they are maintained, however, the rates need to be affordable by all parties. I can not imagine that they need more money. I know that surrounding communities do not pay what we do, nor does the other communities where he supplies service. Bloomfield Estates pays only \$55, and I believe they have about the same number of homes that we do.

At a time when people are losing their jobs, homes and everything else, I think they should be looking at cost saving measures, not raises. Maybe he needs to sell it to the town of Mooresville. At this point their rates are already 3 times higher than our water bills.

Daniels, Sandy

43793-4

From: UCC Consumer Info
Sent: Wednesday, January 20, 2010 9:12 AM
To: Daniels, Sandy; Swinger, Anthony
Subject: FW: Website Contact Form

-----Original Message-----

From: Web Form Poster [mailto:jared.selch@indystar.com]
Sent: Monday, January 18, 2010 2:10 PM
To: UCC Consumer Info
Subject: Website Contact Form

Title: Mr.
First Name: Jared
Last Name: Selch
Email: jared.selch@indystar.com
Street Address: 10450 N. Vista View Pkwy
City: Mooresville
State: IN
Zip: 46158
Phone: ()- ext.
Type: home
No Phone Service: No
Case Number: 43793-U

Comments: In reviewing the "2009 Annual Sewer Bill Analysis" sheet, it shows that as customers of Sani-Tech, Inc., we are already paying \$70.00/month with the average cost of the 52 utilities listed at \$40.71. Only customers of (2) listed utilities are currently paying more. If the proposed rate increase is approved, we will be paying more than any other sewer utility listed, and by quite a sizeable margin. How can this be justified by the IURC? Show me the math.

6635

Haeny, Kathleen

From: Web Form Poster [afssadmin@ai.org]
Sent: Thursday, December 17, 2009 11:52 AM
To: UCC Consumer Info
Subject: website complaint form inquiry

Name: Jennifer L Warner
Email: jhamsterwarner@gmail.com
Address: 6675 Ridgeview Ct.
City: Mooresville
State: IN
Zip: 46158
County of Residence: Morgan
Phone: 3178342368
Work Phone: 3173467376
Cell/Other Phone: 3177771944
Best time to contact you: anytime
Utility Company: Sani Tech
Account in Your Name?: Yes
Whose Name is on the Bill?:
Does the account use the address noted above?: Yes

If not, what address appears on the bill?:

Please describe your problem: This utility is seeking a rate increase and we are opposed to the increase. We feel that his services are sub par and the increase will not lead to better service.

Have you contacted the utility?: No

What has the utility done?:

What would you like the OUCC to do?: This case is currently pending. Case #43793-U.

Ok to share your information?: Yes

Cause No. 41644
Approved Feb. 23, 2001

Petitioner's rebuttal request was submitted conditionally. Petitioner indicated in its rebuttal testimony that it was making this request in an effort to avoid rate case expense and to expedite the further resolution of this case. Petitioner clarified that if a fully litigated evidentiary hearing (with its associated costs and further delays) would be required, Petitioner also requests rates sufficient to recover Petitioner's originally proposed rate case expense, which the OUCC had opposed in its prefilings. The effect of adding the originally proposed level of rate case expense would be to increase Petitioner's request to \$97 per month. Petitioner stated that if a litigated evidentiary hearing would be required in this Cause, Petitioner would be seeking an increase in the monthly sewer rate to this \$97 per month level. Since there was a litigated hearing in this Cause, Petitioner has ultimately requested approval of a \$97 monthly rate.

4. **Test Year.** Pursuant to the Prehearing Conference Order, the test year to be used for determining Petitioner's actual and pro forma operating revenues, expenses and operating income under present and proposed rates is the 12 months ended September 30, 1999, adjusted for changes which are fixed, known and measurable and which will occur within 12 months thereof. The financial data for such a test year, when adjusted for such changes, fairly represents the annual operations of Petitioner. We conclude, therefore, that such test year, as adjusted, is a proper basis for fixing new rates for Petitioner and testing the effect thereof.

5. **Rate Base.** Mr. Skomp testified that Petitioner's net original cost rate base is equal to \$327,313. He testified that, although the fair value of the rate base would exceed the net original cost, Petitioner was proposing to use only the net original cost value.

OUCC witness James C. Hineman proposed a rate base value of \$245,344. He arrived at this value by concluding that Petitioner's collection system plant had been "contributed" by the customers when they purchased their lots from Petitioner's former shareholders. Intervenor witness Otto W. Krohn opined that "the Commission should adopt the OUCC's adjustments to rate base." Intervenor's Exhibit OWK, p. 7. He surmised that the system had not originally been booked as CIAC because of tax complications.

On rebuttal, Mr. Skomp rejected the OUCC's and Intervenor's adjustments. He stated that he had been the utility's advisor in Cause No. 39695 wherein Petitioner's CTA was issued and initial rates were established. He testified that the original collection system was recorded as an equity investment, not because of tax reasons but because that is what Sani Tech told the Commission it was going to do.

In addition, Petitioner was unable to provide evidence of the transfer of ownership from the original owners. Proof of ownership and compensation paid for the utility was not provided. Intervenor's OWK, Exhibit C identifies that Petitioner's attorney "spent the better part of today conferring with my client's owners in an effort to provide clarification on this transaction. I still am uncertain as to precisely what took place at closing.... I wish I could provide greater detail, but I cannot." Jon C. Handy testified that he had purchased the stock in Sani Tech, Inc., but was not able to provide the full purchase price or other details of the purported sale.

For purposes of this order, the dispute between Petitioner and the OUCC, along with the lack of evidence of transfer of ownership make determination of rate base impossible. The Commission cannot determine from the evidence to date the net original cost of Petitioner's sewer utility in service to the public. We find that Petitioner has provided insufficient evidence to make a reasonable determination of rate base for this utility.

6. **Rate of Return.** Since we are unable to determine rate base, a rate of return has been disallowed.

7. **Rate Allowed.** Based on the evidence of record, we find that Petitioner's sewer utility properties reflected on the books as being in service as of September 30, 1999, are actually devoted to providing sewer utility service and are therefore necessary. In order to continue providing this service, Commission staff has used the sparse information provided by this Petitioner to allow for a rate, as set forth in this Finding.

Operating Results Under Present Rates. Petitioner's Exhibit JRS-1, Schedule C shows that under the Petitioner's present rates and charges, Petitioner realized utility operating revenue for the 12-month period ending September 30, 1999, of \$26,278, and that Petitioner's operating expenses and taxes during that period were \$52,497, resulting in a utility operating loss before adjustment for items that are known, fixed, and measurable to be in effect within 12 months after the end of the test year, of (\$26,219).

The parties agreed on three adjustments to test year income. These include (1) a decrease of \$750 in O & M expense to adjust the base management fee to a 12-month period, (2) an increase of \$504 in O & M expense to reflect increased telephone expense due to the addition of remote plant monitoring, and (3) an increase of \$1,008 to reflect increased property taxes. Detailed below are the adjustments that the Commission reviewed and deemed appropriate for this order.

A. Customer Normalization – Revenue

As of September 30, 1999, Petitioner had 66 customers, some of these were new customers that were not being served for an entire twelve months. Petitioner proposed an adjustment increasing revenues by \$5,550, to recognize the additional revenues Petitioner will receive from these new customers on a full-year basis. However, Public proposed this same adjustment based on 71 customers. Public was supplied this number by Petitioner on its on-site visit of Petitioner. This adjustment should be based on the number of customers as of September 30, 1999. We accept the Petitioner's proposed \$5,550-customer normalization adjustment.

B. Customer Growth – Revenue

Public's Prefiled testimony indicated that Petitioner has entered into an agreement to develop

Rolling Vista 6, which contains twenty new lots with one house already connected and construction to start on several more in the near future. Customer growth has averaged 11 new customers annually, therefore, Public used a conservative approach and only included revenues of eleven of the twenty lots. Based on the evidence presented, we accept Public's proposed customer growth adjustment of \$5,280.

C. Annual Flushing Expense

Petitioner and Public both proposed an increase in the annual flushing expense. Petitioner used 7,551 lineal feet to calculate its adjustment of \$3,776, whereas the Public used only 6,033, resulting in an adjustment of \$3,017. The difference is approximately 1500 feet of new main being currently installed. Therefore, we accept Petitioner's adjustment to allow for flushing of the entire system.

D. Purchased Power Expense

Petitioner proposed an adjustment of \$1,109 to increase its purchased power expense for electricity due to the use of the other side of the treatment plant and the two lift stations. Public made a similar adjustment in the amount of \$941. The difference between the two adjustment numbers relates to the historical period used. Petitioner used only three months of data and Public used seven months. When making a calculation using historical data, we find Public's use of seven months more representative of the actual expense.

E. Rate Review Expense

Public's witness, Mr. Hineman, proposed to eliminate \$893 related to a "rate review" expense. During Public's review of Sani-Tech's accounting journals an entry in the amount of \$892.50 was found that related to "rate review" expense. This item should not be expensed, but rather amortized as a rate case expense item. We find eliminating this expense is appropriate.

F. Depreciation and Amortization

In determining depreciation and amortization, Commission staff was unable to draw a conclusion for the amount of this adjustment. Evidence was not presented to determine the rate base of the utility plant in service, therefore, this expense was disallowed.

G. Rate Case Expense

Petitioner requested \$30,000 in rate case expenses. Petitioner chose not to take advantage of the statutory provision specifically for small utilities, choosing instead to utilize traditional methods including the employment of several experts. In fact, the experts hired by Petitioner spent extraordinary time (in one instance, "the better part of a day See Intervenor's OWK, Exhibit C, letter to Timothy L. Stewart") attempting to understand and verify costs that ultimately they were unable to

3. **Financing authority.** As part of this Settlement Agreement, Sani Tech will contemporaneously file a Petition to obtain financing authority for up to \$60,000. The OUCC and the Homeowner's Association will not oppose the requested financing.
4. **The Homeowner's Association's right to purchase Sani Tech.** Sani Tech and its shareholders will, upon approval of this Settlement Agreement, and dismissal of the pending appeal, provide the Homeowner's Association with a permanent, ongoing right of first refusal to purchase the assets (or at the Homeowner's Association's option, the stock) of Sani Tech. The Homeowner's Association will have the right to match any arms-length negotiated bona fide offer to purchase the assets or stock of Sani Tech. If Sani Tech or its shareholders receive an arms-length negotiated bona fide offer from any person to purchase the assets or stock of Sani Tech, Sani Tech and its shareholders shall send the Homeowner's Association a complete copy of the proposed purchase contract, which shall identify the buyer, and shall notify Homeowner's Association of their intention to accept same. Homeowner's Association shall have the right to purchase said assets or stock for the gross purchase price and on the terms specified in said contract. The Homeowner's Association shall provide Sani Tech written notice of its election to purchase said assets or stock within sixty days of receipt of the notice provided by Sani Tech. If the Homeowner's Association elects not to purchase said assets or stock, the sale may proceed, subject to any required regulatory approvals, to said buyer provided the sale is on the same terms and conditions and for the price set forth in the said contract sent to the Homeowner's Association. This permanent right of first refusal is not transferrable to another entity without the consent of Sani Tech. However, Sani Tech and its shareholders consent and agree that the Homeowner's Association or any entity created by the Homeowner's Association or, with the approval of the Homeowner's Association, any entity created by any of the homeowners represented by the Homeowner's Association, may exercise the permanent right of first refusal. Once the Homeowner's Association has elected to purchase said assets or stock, the Homeowner's Association will have nine months from that date to obtain financing, conduct all due diligence, and obtain all necessary approvals and close the purchase. The right of first refusal provided by this paragraph shall not apply to the sale of Sani Tech's stock from one existing shareholder to one of the other two existing shareholders as provided by Sani Tech's bylaws; however, the right of first refusal shall survive such a transfer.
5. **The Fair value of Sani Tech's current plant for purposes of computing net operating income in the future.** Sani Tech's total utility plant as it exists at the time this Settlement Agreement is executed has a fair value of \$95,000 for the ratemaking purpose of the IURC computing allowable net operating income. The parties stipulate and agree that in all future IURC proceedings they are bound to accept \$95,000 as the fair value of all the utility plant Sani Tech has as of the date of this settlement agreement. The stipulation as to fair value shall not apply to utility plant which may be placed in service after the date of this Agreement.

SANI TECH, INC.
Morgan County, Indiana

Response to Indiana Office of Utility Consumer Counselor
OUCC Data Request Set No. 2
Cause No. 43793-U

December 10, 2009

Q-31: Please state the total dollar value of rate base (original cost) added since the final order in Cause No. 41644.

Response: As identified on Exhibit 8 of the Utility's Response to Data Request Set No. 1, the total dollar value of rate base (original cost) added since the final order in Cause No. 41644, dated May 29, 2002, is \$82,507.16. See Exhibit 1 for detail of calculation.

Information and Witnesses:

Information supplied by John Skomp. Proposed witnesses at this time would include, but may not be limited to, the following: John Skomp.

Q-32: Please state the total dollar value of rate base added since the final order in Cause No. 41644 net of accumulated depreciation.

Response: The total dollar value of rate base added since the final order in Cause No. 41644, dated May 29, 2002, net of accumulated depreciation is \$72,859.21. See Exhibit 1 for detail of calculation.

Information and Witnesses:

Information supplied by John Skomp. Proposed witnesses at this time would include, but may not be limited to, the following: John Skomp.

SANI TECH, INC.
Morgan County, Indiana

Response to Questions 31 and 32

<u>Asset</u>	<u>Cost</u>	<u>Date Place In Service</u>	<u>Depreciation Term</u>	<u>Accumulated Depreciation</u>	<u>Net Cost</u>
23 Chemical Pump Chentec 100	\$ 213.06	12/31/02			\$ 213.06
24 Auto Dialer	509.06	8/15/02	20	\$ 165.44	343.62
25 Forcemain 4"	1,850.00	6/1/02	20	601.25	1,248.75
26 Chemical Feed Pump	213.06	12/2/02	5	213.06	-
27 Adjust Manhole Covers	1,465.00	7/12/03	40	201.44	1,263.56
28 980 American Sigma Flow Meter	1,130.16	11/19/03	40	155.40	974.76
29 Dirt Fill on North Side	1,420.00	3/8/04	40	159.75	1,260.25
30 CL2 Metering Pump	544.37	8/19/04	20	122.48	421.89
31 New Privacy/Security Fence	3,450.00	2/2/04	20	776.25	2,673.75
32 UARI 40 Blower	1,586.69	9/29/04	20	357.01	1,229.68
33 Tank Coating	18,686.00	11/16/04	40	2,102.18	16,583.82
34 Turn New Tank	3,093.00	10/31/04	40	347.96	2,745.04
35 The Stick Communication Device	145.51	8/4/08	5	14.55	130.96
36 New Concrete Clarifier	44,011.82	5/31/08	5	4,401.18	39,610.64
37 New Flygt 3085 Head Works Pump	1,200.00	11/26/08	20	30.00	1,170.00
38 New Headworks Pump Control Panel	1,789.43	1/11/09	20	-	1,789.43
39 New Flygt 3085 Head Works Pump	1,200.00	1/14/09	20	-	1,200.00
Total	<u>\$ 82,507.16</u>			<u>\$ 9,647.95</u>	<u>\$ 72,859.21</u>

CONTRACT

for

UTILITY MANAGEMENT SERVICES

AGREEMENT

This Agreement is made as of January 1, 2008, between Sani Tech, Inc. hereinafter referred to as "Sani Tech" and JDH Engineering, Inc., an Indiana corporation.

WITNESSETH

WHEREAS, Sani Tech is a private sewer utility located in Franklin Township, Marion County, Indiana and desires to contract for general management services.

WHEREAS, JDH Engineering, Inc. has utility management experience and is willing to provide those services to Sani Tech under the terms and conditions listed below.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS, that for and in consideration of the covenants and agreements contained herein, the parties hereto hereby agree as follows, to wit:

Section 1. JDH Engineering, Inc. shall provide the following services:

- A. Provide for 24 hr emergency response.
- B. Coordinate daily operations for the efficient & cost effective operation of the utility.
- C. Collection and deposit of daily cash receipts.
- D. Review of sewer main extensions and designs.
- E. Operational record keeping.
- F. Preparation and forwarding of monthly customer billing.
- G. Pursue delinquent accounts.
- H. Coordination of IURC filings.
- I. Coordination of sewer service for prospective customers
- J. Provide Bookkeeping services
- K. Preparation of the following annual reports IURC, Department of Local Government Finance, Sales Tax, Federal Income Tax returns, Indiana Income Tax return and Township Assessor's Report.
- L. Maintain an office and customer service center.
- M. Ordering & facilitating delivery of treatment chemicals.
- N. Utility representation during IDEM site reviews.
- O. Location of underground facilities per IUPPS notices.
- P. Provide Automatic Clearing House and Credit Card payment capabilities.

Unobligated additional services available for an additional Fee as needed and per request:

- A. Master Planning Studies.
- B. Construction management for Plant Expansions, Line Extensions and Facility improvements.
- C. Design sewer collection system extensions.
- D. Collection system review and coordination of updating.
- E. Plant maintenance and repairs.
- F. Collection system maintenance.

Section 2. Sani Tech shall provide the following:

- A. Telephone and internet service for remote monitoring of plant.
- B. Shall contract separately for plant certified operator services.
- C. Disposal of Biosolid material.

Section 3. Fees & Terms:

JDH Engineering shall invoice Sani Tech on the last day of each month for that month's services rendered. Sani Tech shall pay each month's management and related charges by the 10th day of the following month. The fee for one month's general management services shall be \$1,500.00. Management fees may be re-negotiated after one (1) year upon the agreement of both Sani Tech & JDH Engineering. This contract may be terminated by either party with a 60 day written notice after the first year.

Section 4. Notices.

All notices required or permitted under provisions of this agreement shall be in writing and shall become effective only when delivered by certified or registered mail, return receipt requested.

If to: Sani Tech, Inc.
P.O. Box 259
Coatesville, IN 46121-0259

or

If to: JDH Engineering, Inc.
P.O. Box 259
Coatesville, IN 46121-0259

provided that such addresses may be changed by notice so given.

Section 5. Governing Law.

This agreement in all respects shall be governed by and construed in accordance with the laws of the State of Indiana including all matters of construction, validity and performance. Any provision of this agreement which is prohibited or unenforceable shall be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this agreement. To the extent permitted by applicable law, the parties hereby waive any provision of law which renders any provision of this agreement to prohibit it or unenforceable in any respect.

Section 6. Entire Agreement.

This document includes all agreements and understandings of the parties relating to the subject matter hereof and all prior and contemporaneous representations, agreements and understandings are hereby superseded and rendered void. No provision of this agreement may be changed, waived, discharged or terminated other than by written instrument signed by the party against which the enforcement is sought.

Section 7. Miscellaneous.

The provisions of this agreement shall be binding upon and inure to the benefit of the parties hereto and their respective permitted successors and assigns. The captions in this Agreement are for convenience of reference only and shall not define or limit any provision of this agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the day and year first above written.

Sani Tech, Inc.;

JDH Engineering, Inc.;

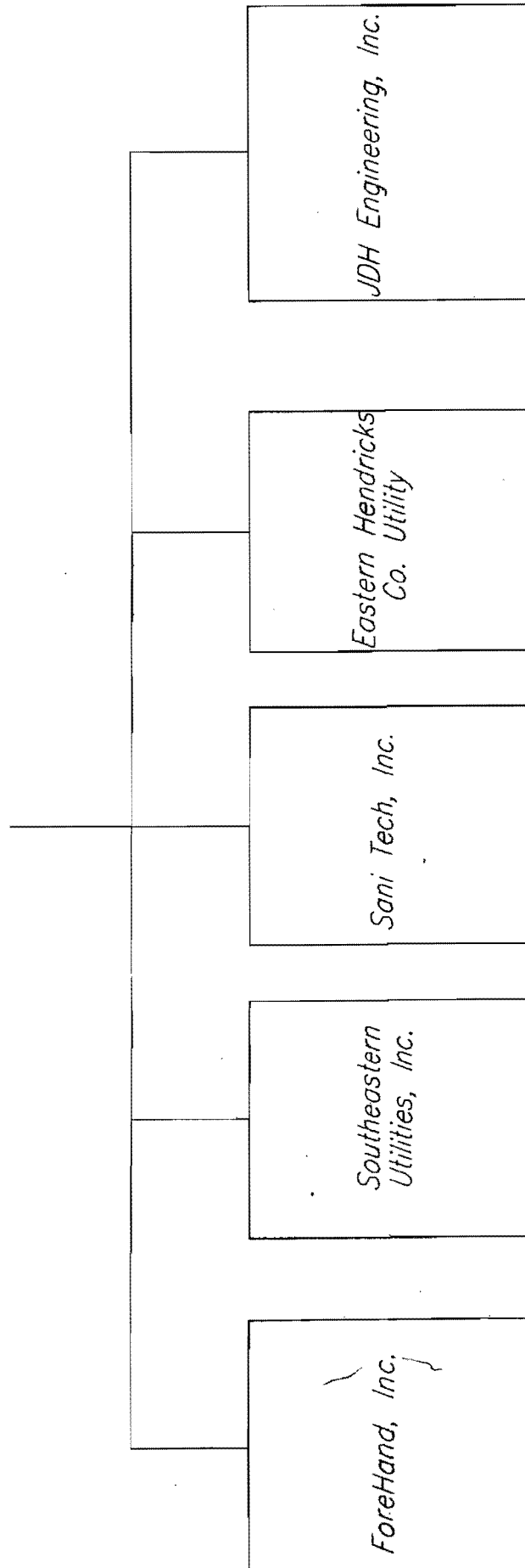
Jon D Handy, Secretary

Jon D Handy, President

Date

Date

Jon Handy; Individual



Jon Handy, President & Secretary

PROPERTY TAX CAP AND STATE RELIEF TO PROPERTY TAXPAYER

Your property taxes are capped at 1.5% of property value for homes, 2.5% for other residential property and farmground, and 3.5% for all other property. In 2010, these caps will be fully phased in at 1%, 2%, 3%. State relief is given in the form of a credit (line 4a) for 2007-2008, and a reduced tax rate (line 3a and table 3) and supplemental deduction (line 2b) in 2009.

Taxpayer Name	Property Address	Date of Notice	Parcel Number	Taxing District
SANI TECH INC	7222 W U S HWY36 DANVILLE IN 46122	05/11/2009	55-115-00190-85	MADISON TOWNSHIP

TAX SUMMARY ITEM	2007	2008	2009
1. Gross assessed value of property			
1a. Gross assessed value of land	\$ 348,030	\$ 318,340	\$ 0
1b. Gross assessed value of improvements	\$ 0	\$ 0	\$ 287,430
2. Equals total gross assessed value of property	\$ 348,030	\$ 318,340	\$ 287,430
2a. Minus deductions (see table 5 below)	\$ 0	\$ 0	\$ 0
2b. Minus new State supplemental deduction (see table 5 below)	\$ 0.00	\$ 0.00	\$ 0
3. Equals subtotal of net assessed value of property	\$ 348,030	\$ 318,340	\$ 287,430
3a. Multiplied by your local tax rate	1.9599	1.9549	1.4872
4. Equals gross tax liability (see table 3 below)	\$ 6,821.04	\$ 6,223.22	\$ 4,274.66
4a. Minus State property tax relief	\$ -1,120.80	\$ -965.00	\$ 0.00
4b. Minus Local tax relief	\$ 0.00	\$ -1,195.32	\$ -1,369.88
4c. Minus savings due to property tax cap (see Table 2 below)	\$ 0.00	\$ 0.00	\$ 0.00
4d. Minus savings due to 65 years & older cap	\$ 0.00	\$ 0.00	\$ 0.00
5. Total property tax liability	\$ 5,700.24	\$ 4,062.90	\$ 2,904.78

Please see Table 4 for a summary of other charges to this property.

TABLE 2: PROPERTY TAX CAP INFORMATION	2007	2008	2009
Property tax cap (equal to 1.5%, 2.5%, or 3.5% of Line 2, depending upon property type)	\$ 0.00	\$ 0.00	\$ 10,060.05
Adjustment to cap due to voter-approved projects and charges	\$ 0.00	\$ 0.00	\$ 0.00
Maximum tax that may be imposed under cap	\$ 0.00	\$ 0.00	\$ 10,060.05

TAXING AUTHORITY	TAX 2007	TAX 2008	TAX 2009	TAX DIFFERENCE 2007-2008	PERCENT DIFFERENCE	TAX DIFFERENCE 2008-2009	PERCENT DIFFERENCE
STATE	\$62.30	\$57.30	\$0.00	\$(5.00)	-8.03%	\$(57.30)	-100.00%
COUNTY	\$924.72	\$769.75	\$680.63	\$(154.97)	-16.76%	\$(89.12)	-11.58%
TOWNSHIP	\$1,009.98	\$919.68	\$1,069.53	\$(90.30)	-8.94%	\$149.85	16.29%
SCHOOL DISTRICT	\$4,693.18	\$4,334.51	\$2,385.67	\$(358.67)	-7.64%	\$(1,948.84)	-44.96%
CITY	\$0.00	\$0.00	\$0.00	\$0.00	----	\$0.00	----
LIBRARY	\$130.86	\$141.98	\$138.83	\$11.12	8.50%	\$(3.15)	-2.22%
TAX INCREMENT	\$0.00	\$0.00	\$0.00	\$0.00	----	\$0.00	----
SPECIAL DISTRICT	\$0.00	\$0.00	\$0.00	\$0.00	----	\$0.00	----
TOTAL	\$6,821.04	\$6,223.22	\$4,274.66	\$(597.82)	-8.76%	\$(1,948.56)	-31.31%

The tax rate for each unit is equal to the gross property tax for that unit divided by the net assessed value for a given year.

LEVYING AUTHORITY	2007	2008	2009	TYPE OF DEDUCTION	2007	2008	2009
Sewer Lien				Homestead/Standard			
Weed Lien				Supplemental Standard			
Unsafe Building Lien				Mortgage			
Barrett Law				Blind/Disabled			
Ditch Assessment Bill				Geothermal			
Conservancy				Over 65			
Solid Waste				Veterans			
Storm Water				Abatement			
Other				Enterprise Zone			
Total				Investment			
				Other			
				Total Deductions			

1. Charges not subject to the property tax cap include property tax levies approved by voter referendum. In Lake County and St. Joseph County, this line also reflects debt obligations incurred prior to the creation of property tax caps. When added to the base property tax cap amount for your property, this creates the effective tax cap rate. For more information, see the back of this document.

2. If any circumstances have changed that would make you ineligible for a deduction that you have been allowed in the deductions block on this tax bill, you must notify the county auditor. If such a change in circumstances has occurred and you have not notified the county auditor, the deduction will be allowed and you will be liable for taxes and penalties on the amount deducted.

PROPERTY TAX CAP TO PROPERTY VALUE

Your property taxes are capped at 1.5% of property value for homes, 2.5% for other residential property and farmground, and 3.5% for all other property. In 2010, these caps will be fully phased in at 1%, 2%, 3%. State relief is given in the form of a credit (line 4a) for 2007-2008, and a reduced tax rate (line 3a and table 3) and supplemental deduction (line 2b) in 2009.

Taxpayer Name	Property Address	Date of Notice	Parcel Number	Taxing District
Sani Tech Inc	N Ridgeview Dr Mooresville IN 46158	05/11/2009	55-06-10-325-001.000-015	MADISON TOWNSHIP

TAX SUMMARY ITEM	2007	2008	2009
1. Gross assessed value of property			
1a. Gross assessed value of land	\$ 28,000	\$ 28,000	\$ 28,000
1b. Gross assessed value of improvements	\$ 4,900	\$ 4,900	\$ 4,900
2. Equals total gross assessed value of property	\$ 32,900	\$ 32,900	\$ 32,900
2a. Minus deductions (see table 5 below)	\$ 0	\$ 0	\$ 0
2b. Minus new State supplemental deduction (see table 5 below)	\$ 0.00	\$ 0.00	\$ 0
3. Equals subtotal of net assessed value of property	\$ 32,900	\$ 32,900	\$ 32,900
3a. Multiplied by your local tax rate	1.9599	1.9549	1.4872
4. Equals gross tax liability (see table 3 below)	\$ 644.80	\$ 643.16	\$ 489.28
4a. Minus State property tax relief	\$ -153.02	\$ -143.60	\$ 0.00
4b. Minus Local tax relief	\$ 0.00	\$ -123.54	\$ -156.80
4c. Minus savings due to property tax cap (see Table 2 below)	\$ 0.00	\$ 0.00	\$ 0.00
4d. Minus savings due to 65 years & older cap	\$ 0.00	\$ 0.00	\$ 0.00
5. Total property tax liability	\$ 491.78	\$ 376.02	\$ 332.48

Please see Table 4 for a summary of other charges to this property.

TABLE 2: PROPERTY TAX CAP INFORMATION	2007	2008	2009
Property tax cap (equal to 1.5%, 2.5%, or 3.5% of Line 2, depending upon property type)	\$ 0.00	\$ 0.00	\$ 1,151.50
Adjustment to cap due to voter-approved projects and charges	\$ 0.00	\$ 0.00	\$ 0.00
Maximum tax that may be imposed under cap	\$ 0.00	\$ 0.00	\$ 1,151.50

TAXING AUTHORITY	TAX 2007	TAX 2008	TAX 2009	TAX DIFFERENCE 2007-2008	PERCENT DIFFERENCE	TAX DIFFERENCE 2008-2009	PERCENT DIFFERENCE
STATE	\$5.90	\$5.93	\$0.00	\$0.03	0.51%	\$(5.93)	-100.00%
COUNTY	\$87.41	\$79.55	\$77.90	\$(7.86)	8.99%	\$(1.65)	-2.07%
TOWNSHIP	\$95.47	\$95.05	\$122.42	\$(0.42)	-0.44%	\$27.37	28.80%
SCHOOL DISTRICT	\$443.65	\$447.96	\$273.07	\$4.31	0.97%	\$(174.89)	-39.04%
CITY	\$0.00	\$0.00	\$0.00	\$0.00	----	\$0.00	----
LIBRARY	\$12.37	\$14.67	\$15.89	\$2.30	18.59%	\$1.22	8.32%
TAX INCREMENT	\$0.00	\$0.00	\$0.00	\$0.00	----	\$0.00	----
SPECIAL DISTRICT	\$0.00	\$0.00	\$0.00	\$0.00	----	\$0.00	----
TOTAL	\$644.80	\$643.16	\$489.28	\$(1.64)	-0.25%	\$(153.88)	-23.93%

The tax rate for each unit is equal to the gross property tax for that unit divided by the net assessed value for a given year.

LEVYING AUTHORITY	2007	2008	2009	TYPE OF DEDUCTION	2007	2008	2009
Sewer Lien				Homestead/Standard			
Weed Lien				Supplemental Standard			
Unsafe Building Lien				Mortgage			
Barrett Law				Blind/Disabled			
Ditch Assessment Bill				Geothermal			
Conservancy				Over 65			
Solid Waste				Veterans			
Storm Water				Abatement			
Other				Enterprise Zone			
Total				Investment			
				Other			
				Total Deductions			

1. Charges not subject to the property tax cap include property tax levies approved by voter referendum. In Lake County and St. Joseph County, this line also reflects debt obligations incurred prior to the creation of property tax caps. When added to the base property tax cap amount for your property, this creates the effective tax cap rate. For more information, see the back of this document.

2. If any circumstances have changed that would make you ineligible for a deduction that you have been allowed in the deductions block on this tax bill, you must notify the county auditor. If such a change in circumstances has occurred and you have not notified the county auditor, the deduction will be allowed and you will be liable for taxes and penalties on the amount deducted.

Dec. 16. 2009 3:31PM Carpenter Realtors 317-831-2599

**Rolling Vista Home Owners Association
P.O. Box 98
Mooreville, In 46158**

facsimile transmittal

To: **Anthony Swinger** Fax: **317-232-5923**
From: **Shirley Goodwin, President** Date: **12/16/2009**
Re: **Sani Tech** Pages: **5**

☒ Urgent ☐ For review ☒ Please comment ☒ Please reply ☐ Please recycle

I am sending four pages of Personal Property Maintenance Reports for Sani Tech that I got from the County. There is 2008 and 2009 assessed value. There is quite a bit of difference in these two years. 2009 is lower.

I tried to get more information asking for reasons why Sani Tech set these values and I was told that it was not public information and I couldn't get it.

Shirley
317-625-2643

11/20/2009
1:05 PM

Personal Property Maintenance Report

PersonalPM. Report

Page 1 of 2

Morgan
2007 Pay 2008

Owner: Sanl Tech Inc

Property Number: 55-115-00190-85

ALT Pin:

Owner Party: SANI TECH INC

Address: P O BOX 259 COATESVILLE, IN 46121 USA

Property Type: State Utilities

Location Address: 7222 W U S Hwy 36 DANVILLE, IN 46122

Tax Set: 015-MADISON TOWNSHIP

Business Type:

Supplemental Forms:

State Charter No: 115-00190-85

Type Of Filer:

Mobile Home Make

State Employee ID:

Form Filed:

Mobile Home Size

Mobile Home Year

Federal Industry Code:

Location Description: Madison Township

Bankruptcy Code:

Legal Description: PERSONAL PROPERTY

Vender License No:

Assessments: NonRes Assessment: 318,340

Homestead Res Asmt: 0

Total Assessed: 318,340

Residential Asmt 0

Fixed Late Filing: No

Net Assessed: 318,340

Under Appeal Value:

Tax Rate: 01.9549 LOIT Qual Res: 00.0000

CB Res LTC Ag: 00.0000

Rea1001:Homestead: 45.8124 OldCEDIT: 00.0000

CB Over65: 00.0000

TIF District:

LOIT Repl All Prop: 19.2073 OldCOIT: 00.0000

CB NonRes Real and Pers: 00.0000

Base AV:

LOIT Homestead: 00.0000 CB Homestead: 00.0000

Incremental AV

Surplus Payment: 0.00

Advance Payment: 0.00

Over Payment: 0.00

Charges:

Deductions:

Tax Set	Charge Type	Total Charge	Balance Due
MADISON TOWNSHIP	1st Installment Tax	2,031.45	0.00
	2nd Installment Tax	2,031.45	0.00
		4,062.90	0.00

Deduction Type	Deduction Amount	Over Written Flag
	0	

Dec. 16, 2009 3:31PM
Carpenter Realtors 317-831-2599

ATTACHMENT 7
CAUSE NO. 43793-U
Page 4 of 7
No. 0775 P. 2/5

November 20, 2009
1:05 PM

Real Property Maintenance Report

Real PM. Report

Page 1 of 2

Morgan
2007 Pay 2008

Owner: Sani Tech Inc
Owner Party: Sani Tech Inc
Address: P O Box 259 Coatesville, IN 46121 USA
Location Address: N Ridgeview Dr Mooresville, IN 46158

Property Number: 55-06-10-325-001.000-015
Property Type: Real
Map Number: 055-06-10-325-001-000
Tax Set: 015-MADISON TOWNSHIP

QQSec: QSec: Sec: Township:
Range: Acres: 0.4 Block: Plat:
Sub Sec: Lot: Sub Lot: Sub Division:

Property Class: 499 Commercial Other structure
Zoning Type: Swampy False
Use Type: Sewer: False
Bankruptcy Code: Waterfront: False
Tax Sale: Water: False
Neighborhood: Electricity: False
No. Of Households: 0 Flood Hazard: False
TIF District: Routing #:
Base AV:

Location Description: Madison Township

Legal Description: ROLLING VISTA ESTATES SEC 1 & 2 .40 A. TEMPORARY
WASTEWATER TREATMENT PLANT

Assessments:	Res Land	0	Res Improv	0
	Non-res Land	28,000	Non-res Improv	4,900
	Homestead Land	0	Homestead Improv	0
	Long Term Care Land	0	Long Term Care Improv	0
	Agricultural Land	0		

Total Assessed: 32,900 Net Assessed: 32,900

Surplus Payment: 0.00 Advance Payment: 0.00

Over Payment: 0.00

Appr. Date: 7/4/1776
Annual Adj Factor 0

Incremental AV: Base Res AV:
Under Appeal Value:
Tax Rate: 01.9549 LOIT Qual Res RC: 00.0000
Rea1001 Homestead 45.8124 LOIT Homestead: 00.0000
OldCEDIT: 00.0000 CB Homestead: 00.0000
OldCOIT: 00.0000 CB Res LTC Ag: 00.0000
LOIT Repl All Prop: 19.2073 CB Non HS and Pers: 00.0000
CB Over65: 00.0000

Reason For Chg:
Equal. Factor: 0

Charges:

Tax Set/Unit	Charge Type	Total Charge	Balance Due
MADISON TOWNSHIP	1st Installment Tax	188.01	0.00
	2nd Installment Tax	188.01	0.00
		376.02	0.00

Deductions:

Deduction Type	Deduction Amount	Over Written Flag
	0	

AV Details:

ATTACHMENT 7
CAUSE NO. 43793-U
Page 5 of 7
No. 8775 P. 5/5

Dec. 16, 2009 3:32PM Carpenter Realtors 317-831-2599

November 20, 2009
1:15 PM

Real Property Maintenance Report

Real PM. Report

Page 1 of 7

Morgan
2008 PAY 2009

Owner: Sani Tech Inc
Owner Party: Sani Tech Inc
Address: P O Box 259 Coatesville, IN 46121 USA
Location Address: N Ridgeview Dr Mooresville, IN 46158

Property Number: 55-06-10-325-001.000-015
Property Type: Real
Map Number: 055-06-10-325-001-000
Tax Set: 015-MADISON TOWNSHIP

QQSec: QSec: Sec: Township:
Range: Acres: 0.4 Block: Plat:
Sub Sec: Lot: Sub Lot: Sub Division:

Property Class: 499 Commercial Other structure
Zoning Type: Swampy False
Use Type: Sewer: False
Bankruptcy Code: Waterfront: False
Tax Sale: Water: False
Neighborhood: Electricity: False
No. Of Households: 0 Flood Hazard: False
TIF District: Routing #:

Location Description: Madison Township

Legal Description: ROLLING VISTA ESTATES SEC 1 & 2 .40 A. TEMPORARY
WASTEWATER TREATMENT PLANT

Assessments:	Res Land	0	Res Improv	0
	Non-res Land	28,000	Non-res Improv	4,900
	Homestead Land	0	Homestead Improv	0
	Long Term Care Land	0	Long Term Care Improv	0
	Agricultural Land	0		

Total Assessed: 32,900 Net Assessed: 32,900

Surplus Payment: 0.00 Advance Payment: 0.00

Over Payment: 0.00

Appr. Date: 7/4/1776
Annual Adj Factor 0

Incremental AV: Base Res AV:
Under Appeal Value:
Tax Rate: 01.4872 LOIT Qual Res RC: 00.000
Hes1001 Homestead: 10.2279 LOIT Homestead: 00.000
OldCEDIT: 01.3216 CB Homestead: 01.500
OldCOIT: 00.0000 CB Res LTC Ag: 02.500
LOIT Repl All Prop: 32.0463 CB Non HS and Pers: 03.500
CB Over65: 102.000

Reason For Chg:
Equal. Factor: 0

Charges:

Tax Set/Unit	Charge Type	Total Charge	Balance Due
MADISON TOWNSHIP	1st Installment Tax	166.24	0.00
	2nd Installment Tax	166.24	0.00
		332.48	0.00

Deductions:

Deduction Type	Deduction Amount	Over Written Flag
	0	

AV Details:

Dec. 16, 2009 3:32PM
Carpenter Realtors 317-831-2599

ATTACHMENT 7
CAUSE NO. 43793-U
Page 6 of 7
No. 8775 P. 4/5

11/20/2009
1:15 PM

Personal Property Maintenance Report

Personal PM Report
Page 1 of 2

Morgan
2008 PAY 2009

Owner: SANI TECH INC

Owner Party: SANI TECH INC

Address: P O BOX 259 COATESVILLE, IN 46121 USA

Location Address: 7222 W U S HWY36 DANVILLE, IN 46122

Business Type:

Supplemental Forms:

Type Of Filer:

Mobile Home Make

Form Filed:

Mobile Home Size

Mobile Home Year

Location Description: Madison Township

Legal Description: PERSONAL PROPERTY

Property Number: 55-115-00190-85

ALT Pin:

Property Type: State Utilities

Tax Set: 015-MADISON TOWNSHIP

State Charter No: 115-00190-85

State Employee ID:

Federal Industry Code:

Bankruptcy Code:

Vender License No:

Assessments: NonRes Assessment: 287,430

Homestead Res Asmt: 0

Residential Asmt 0

Fixed Late Filing: No

Total Assessed: 287,430

Net Assessed: 287,430

Under Appeal Value:

Tax Rate: 01.4872

LOIT Qual Res: 00.0000

CB Res LTC Ag:

02.5000

Hear1001:Homestead: 10.2279

OldCEDIT: 01.3216

CB Over65:

102.0000

LOIT Repl All Prop: 32.0463

OldCOIT: 00.0000

CB NonRes Real and Pers:

03.5000

LOIT Homestead: 00.0000

CB Homestead: 01.5000

TIF District:

Base AV:

Incremental AV

Surplus Payment: 0.00

Advance Payment: 0.00

Over Payment: 0.00

Charges:

Tax Set	Charge Type	Total Charge	Balance Due
MADISON TOWNSHIP	1st Installment Tax	1,452.39	0.00
	2nd Installment Tax	1,452.39	0.00
		2,904.78	0.00

Deductions:

Deduction Type	Deduction Amount	Over Written Flag
	0	

Dec. 16, 2009 3:31PM
Carpenter Realtors 317-831-2599

ATTACHMENT 7
CAUSE NO. 43793-U
Page 7 of 7
No. 8775 P. 3/5

From: Hunter, Stacy
Sent: Tuesday, February 09, 2010 10:10 AM
To: Daniels, Sandy
Subject: Cause Number: 43793 U

Importance: High

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